

## The Commodities Feed: Markets disappointed as Fed remains on hold

It was a sea of red across commodities as news that the Federal Reserve left US interest rates on hold, and signs it's likely to remain there, overcame enthusiasm about US-China trade talks



### Energy - Choppy session for oil

It was a choppy session for the oil market yesterday. Initially, Brent rallied amid growing hopes of de-escalation in trade tensions between China and the US, with talks set to start this weekend. However, the market came under pressure later in the day after the Federal Reserve kept interest rates unchanged. The Fed signalled that rates will likely remain on hold until the effects of tariffs become clearer. This boosted the USD, which added to headwinds facing the broader commodity markets.

Weekly inventory data from the Energy Information Administration (EIA) was less bullish than American Petroleum Institute (API) numbers the previous day. EIA data showed that US crude oil inventories fell by 2.03m barrels over the last week vs. the 4.49m barrels decline reported by the API.

However, this still leaves crude oil inventories at their lowest level since March. Similarly, crude oil stocks at Cushing hit their lowest level since March, falling by 740k barrels. For refined products,

gasoline inventories increased by a marginal 188k barrels, while distillate stocks fell by 1.12m barrels. On the demand side, the standout was jet fuel. Demand increased by 474k b/d week on week, hitting its highest level since December 2019. This keeps the 4-week average for demand at an all-time seasonal high.

## Metals – China keeps adding gold to its reserves

China expanded its gold reserves for a sixth straight month in April. Gold held by the People's Bank of China rose by around 70,000 troy ounces (2 tonnes) last month, with the volumes climbing by close to 1 million ounces (31 tonnes) over the past six months. Overall, central banks reported 17 tonnes of net buying in March. The National Bank of Poland was the largest buyer -- and the biggest in 2025 so far. It's added 49 tonnes of gold to its reserves, according to World Gold Council data.

The latest LME COT report released yesterday shows that speculators increased their net long position in copper by 10,003 lots to 74,809 lots for the week ending 2 May. Similarly, net bullish bets for aluminium rose by 9,688 lots to 89,101 lots. This follows eight consecutive weeks of declines.

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